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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF THE GOVERNMENT OF THE REPUBLIC OF KOREA

KIST-Industry Co-operative Productivity Programme
(Mechanical Engineering and Related Industries)
(ROK/74/006)

Report of the Administrator*

Date of present approval:	April 1980
Starting date of project activities:	August 1979 (including preparatory assistance)
Planned completion date:	December 1983
To be executed by:	United Nations Industrial Development Organization (UNIDO)
Government implementing agency:	Ministry of Science and Technology (MOST)
Estimated cost of assistance planned under present approval:	$987 300
Source of UNDP financing:	Indicative Planning Figure (IPF)

I. Background

1. The mechanical industry of the Republic of Korea, despite rapid economic growth during the past three Five-Year Economic Development Plans, has not yet matured. The essential elements of the mechanical industry--i.e., the productivity, accuracy, reliability and durability of its products--must be evaluated. There are problems which must be identified and solved if the Government is to realize its Five-Year Economic Development Plans.

2. Since the domestic market for products of the mechanical industry is expected to grow considerably, and the competitive position of these products on the world markets should grow stronger, the Government of the Republic of Korea has set high priority on assisting the mechanical industry to simultaneously upgrade and refine its production processes so that productivity and product quality can progress at the same rate.

*In accordance with General Assembly resolution 2688 (XXV) and subcontract authorizations of the UNDP Governing Council, reports are issued seriatim on the approval of UNDP assistance of $250,000 or more (including, if any, assistance financed by Government or by third-party cost sharing).

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3. To isolate the general problems of the mechanical industry and formulate a work plan to solve them, a core research and development staff, well-trained in generic technology, will work together with industrial engineers on a long-term basis in an institutional relationship (Co-operative Productivity Programme).

4. It is within this context that the Government requested UNDP assistance of $1 million during the period 1980 to 1983 for the development of the mechanical industry. The Government has requested that the project be executed within the framework of a Co-operative Productivity Programme at the Korean Institute of Science and Technology (KIST), a semi-autonomous research institute under the Ministry of Science and Technology (MOST). The Mechanical Engineering Department within KIST will carry out the project.

II. Objectives and activities

5. The immediate objective of the project is to strengthen the Mechanical Engineering Department at KIST in order to make it function as a qualified Research Development Centre, able to solve the generic technological problems of the members of the mechanical industry consortium within the framework of the Co-operative Productivity Programme.

6. In order to achieve this objective, the following activities will be carried out by the project: (a) establish a consortium of industrial firms with specific and related interests in the field of mechanical engineering, for which the KIST staff will carry out research and development; (b) recruit and train key personnel at advanced institutions abroad for a period of two years in specialized fields in mechanical engineering; (c) make provision for expert/consultant services in various specialized fields of mechanical engineering; (d) acquire essential facilities and equipment to augment those already available within KIST and other institutions associated with the programme; and (e) acquire a data base in manufacturing processes and technologies.

III. Inputs

7. UNDP will provide, through the Executing Agency, for the services of a project chief, a technical adviser and nine experts/consultants in various specialized fields of mechanical engineering. Sixteen fellowships, varying from 18 to 24 months, will be granted in the same fields, and a study tour by two senior staff members of KIST will be implemented. Specialized instruments and equipment will also be provided.

8. The Government will provide professional and supporting staff, in-service training provisions, part of the KIST facilities, and other equipment and supplies as required for implementation of the project.

IV. Financial data

9. The expenditure components of the planned assistance are as follows:

	Previously Approved $	Present Approval $	Total Approved $
Personnel	12 200	149 000	161 200
Training	-	470 000	470 000
Equipment	-	354 500	354 500
Miscellaneous	500	13 800	14 300
	12 700	987 300	1 000 000

10. The estimated total value, expressed in US dollars, of the inputs provided directly by the Government to the project is $1,804,900 in kind.